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SIPDIS

SENSITIVE

STATE FOR EB/TPP, EUR/ERA, EUR/WE, EUR/PPD, COMMERCE FOR NAAS DEPARTMENT OF COMEMRCE FOR ITA STATE FOR USTR

E.O. 12958: N/A
TAGS: EAIR ETRD PREL FR
SUBJECT: NEW AIRBUS A380 TAKES FLIGHT, AMID MUCH CROWING
(AND SWIPES AT THE U.S. AND BOEING)

NOT FOR INTERNET DISTRIBUTION

11. (SBU) SUMMARY. Amid much media hoopla and self-congratulation from politicians and commentators, Airbus launched its double-decker A380 on its maiden flight April 127. The four-hour flight from Toulouse of the world's largest passenger jet was witnessed by close to 50,000 visitors on the same Blagnac airfield that launched the Concorde in 1969. With the A380 aircraft's flight taking on all kinds of symbolic significance, French television and newspapers were filled with lyrical tributes to the kind of European ingenuity and cooperation that the multinational Airbus represents, including its public subsidies. There were few references to the pioneering role that U.S. technology has played in past and present Airbus aircraft, nor to the debt it owes to Boeing's 747 jumbo jet, whose passenger service started in 1969. More than few commentators chose to dwell on the transatlantic rivalry between Airbus and Boeing, taking Boeing (read the United States) to task for announcing its good news on orders from Canada and India the same week, criticizing Boeing's decision to challenge Airbus's and its public subsidies, and even hinting at U.S. espionage in Toulouse. END SUMMARY.

THE AIRBUS AND \dots THE CONSTITUTION!

12. (U) The French press doted heavily on the symbolism of the aircraft's flight and its significance for Europe. The left-of-center daily Liberation's giant headlines read "Europe takes off" over a photo of the new aircraft. The article notes somewhat cynically that politicians on both sides of the aisle are scrambling to take credit for the success of the "super jumbo", even linking it to the proposed European Constitution. "Airbus' success commands us to advance towards the Europe of which this constitution lays the foundations", read the daily's editorial. Le Figaro's (right-of-center daily) headlines read "Europe's Wings" and calls the Airbus A380 project a "political leap of faith". Only "Le Monde"'s front-page cartoon showed the Airbus flying through the sky, with another plane, the European Union, grounded on the airfield.

PRAISE FOR INDUSTRIAL POLICY

- 13. (U) But the French media focused also on the transatlantic rivalry between Airbus and Boeing, using the opportunity to take potshots at Boeing and the United States. Le Figaro's April 27 editorial hails Airbus's success with the A380 as managing to "challenge, on its own territory, its American rival's crushing dominance". Most other dailies noted that Airbus now has the more challenging task of selling the A380 and making it a commercial success as well. Many news stories also pointed to Boeing's announcement of good news on sales of aircraft to Air Canada and Air India as the American company's attempt to rain on Airbus' parade.
- 14. (U) The Figaro editorial goes on to praise Airbus's public "financing model" and echoing President Jacques Chirac's frequent comments, urges an "Airbus" approach for "European projects in other areas such as communications, health care or biotechnology". Le Figaro charges Boeing with hypocrisy for accusing Airbus of receiving public funds for its projects, and it alleges that the "Boeing system functions, if not more so" with public monies. Finally, Liberation expressed its approval that the A380 project and its financing are "running counter to . free market ideology".

ECONOMIC INTELLIGENCE AGENTS

 $\P 5.$ (SBU) The tabloid Le Parisien's headlines were blunter, proclaiming "Airbus scores one against Boeing". The populist

daily, however, goes further, highlighting the interest that Airbus's success might have for "economic intelligence agents" in Toulouse, and reports that the French intelligence agencies have often targeted the U.S. Consulate in Toulouse. Indeed, there have been several references in the popular regional press to the American Presence Post (APP) in Toulouse and its implied role in "economic intelligence" gathering, particularly targeting Airbus. (The Embassy is asking for the journal in question, "La Depeche du Midi," to print a letter from the Charge clarifying the APP's real role in the region.)

16. COMMENT. As with the Euro, the flight of the Airbus A380 is a point of great pride among ordinary French citizens as well as politicians. It is easy to understand the desire to emphasize such a positive "European" development, rather than dwell on all the negatives, i.e. the disenchantment of voters over a proposed EU constitution, Turkey's future with the EU, the accession of 10 new countries, the failure of the Services Directive and other difficult dossiers. But while a justifiable source of pride, it is also an opportunity for some to reinforce the wrongheaded (but populist) notion that the EU is always best defined in opposition to the United States. We need to watch carefully to ensure that this doesn't get out of hand. END COMMENT.

Rosenblatt